Basic information

2001/0131(CNS) CNS - Consultation procedure Regulation	Procedure completed
Generalised tariff preferences: period from 1st January 2002 to 31 December 2004 Amended by 2003/0259(CNS) **Subject** 6.30.01 Generalised scheme of tariff preferences (GSP), rules of origin	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
DEVE Development and Cooperation	MIRANDA Joaquim (GUE /NGL)	25/06/2001

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
ITRE Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	10/10/2001
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	CUNHA Arlindo (PPE-DE)	12/09/2001
PECH Fisheries	The committee decided not to give an opinion.	02/10/2001

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2397	2001-12-10

European Commission

Commission DG	Commissioner
Trade and Economic Security	

Key events

Date	Event	Reference	Summary
12/06/2001	Legislative proposal published	COM(2001)0293	Summary
03/09/2001	Committee referral announced in Parliament		
14/11/2001	Modified legislative proposal published	COM(2001)0688	Summary
20/11/2001	Vote in committee		
20/11/2001	Committee report tabled for plenary, 1st reading/single reading	A5-0404/2001	
29/11/2001	Decision by Parliament	T5-0624/2001	Summary
10/12/2001	Act adopted by Council after consultation of Parliament		
10/12/2001	End of procedure in Parliament		
31/12/2001	Final act published in Official Journal		

Technical information

Procedure reference	2001/0131(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	International agreement
Legislative instrument	Regulation
Amendments and repeals	Amended by 2003/0259(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 133
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/5/14880

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0404/2001	20/11/2001	
Text adopted by Parliament, 1st reading/single reading		T5-0624/2001 OJ C 153 27.06.2002, p. 0030-0235 E	29/11/2001	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2001)0293 OJ C 270 25.09.2001, p. 0024 E	12/06/2001	Summary

Modified legislative proposal	COM(2001)0688 OJ C 075 26.03.2002, p. 0051 E	14/11/2001	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1122/2001 OJ C 311 07.11.2001, p. 0047	12/09/2001	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2001/2501
OJ L 346 31.12.2001, p. 0001 Summary

Generalised tariff preferences: period from 1st January 2002 to 31 December 2004

2001/0131(CNS) - 14/11/2001 - Modified legislative proposal

The European Commission decided to amend its proposal on applying a scheme of generalised tariff preferences for the period 1 January 2002 to 31 December 2004, in order to include Pakistan in the list of beneficiary countries of the special arrangements to combat drug production and trafficking. In fact, as a consequence of the events of 11 September, Pakistan is facing problems which are particularly serious. The international community acknowledged this by agreeing on a number of programs and actions providing special assistance to this country. The European Union is called upon to join these efforts. One measure that would seem especially appropriate in this context is the inclusion of Pakistan in the list of beneficiary countries of the drug regime under the scheme of generalised tariff preferences. Pakistan has pursued a vigorous campaign to eradicate the production and transit of drugs in its territory. This campaign should be supported, particularly given the difficulties Pakistan will face when more and more refugees arrive from Afghanistan. Since the GSP drug regime was extended to the countries of the Andean Community and to those of the Central American Common Market, it provided an important incentive to allow for the substitution of illicit crops, enhance exports in order to create jobs not linked to drug production and trafficking and foster diversification. The problems which Pakistan is facing today, are similar. The GSP drug regime is therefore likely to stabilise its economic and social structures and thus consolidate the institutions that uphold the rule of law. The drug regime provides duty free access for all industrial products included in the GSP general arrangements, and for many agricultural products, some of which are not included in the general arrangements. The measure will benefit mainly the Pakistani clothing sector. For these reasons, the Commission decided to amend its proposal for a Council Regulation applying a scheme of generalised tariff preferences for the period 1 January 2002 to 31 December 2004 in order to include Pakistan in the list of beneficiary countries of the special arrangements to combat drug production and trafficking, in the following manner: - in Annex I of that Regulation, a cross shall be marked in the row corresponding to Pakistan and in the column listing the countries included in the special arrangements to combat drug production and trafficking referred to in Title IV.

Generalised tariff preferences: period from 1st January 2002 to 31 December 2004

2001/0131(CNS) - 29/11/2001 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report, without debate, by Joaquim MIRANDA (EUL/NGL, P) subject to a few amendments which stipulate that the European Union's common commercial policy must be consistent with and consolidate the objectives of development policy, in particular the eradication of poverty and the promotion of sustainable development in the developing countries. Other amendments concern cases where preferential

duty rates, calculated in accordance with Regulation 2820/98/EC, provide a higher tariff reduction, these preferential duty rates should continue to apply. Furthermore, where preferential duty rates, calculated in accordance with Article 2 of Regulation 2820/98/EC on Common Customs Tariff ad valorem duties applicable on 31 December 2001, provide a tariff reduction, for the products referred to in paragraph 2, of more than 3.5 percentage points, these preferential duty rates shall apply as long as the reduction is higher than 3.5 percentage points. Lastly, an additional amendment highlights that where preferential duty rates, calculated in accordance with Article 2 of Regulation 2820/98/EC on Common Customs Tariff ad valorem duties applicable on 31 December 2001, provide a tariff reduction for the products referred to in the first sentence of paragraph 1 and in the first sentence of paragraph 3, of more than 7 percentage points, these preferential duty rates shall apply as long as the reduction is higher than 7 percentage points.

Generalised tariff preferences: period from 1st January 2002 to 31 December 2004

2001/0131(CNS) - 10/12/2001 - Final act

PURPOSE : to put in place a new Community scheme of generalised tariff preferences for the period 2004. COMMUNITY MEASURE : Council Regulation 2501/2001/EC applying a scheme of generalised tariff preferences for the period from 1 January 2002 to 31 December 2004. CONTENT : the Council adopted a new GSP (system of generalised tariff preferences) Regulation for the period 1 January 2002 to 31 December 2004 by a qualified majority, with Portugal voting against. This Regulation provides for improved access to the Community market (reduction of ad valorem duties at a flat rate of 3,5% percentage points of the most favoured nation (MFN) duty rate) for numerous exports of sensitive products will continue to benefit from duty-free access. Tariffs will not be raised for any products under the new scheme. The new Regulation also includes provisions taken from the "Everything but Arms" Regulation, extending duty-free access to the least developed countries without any quantitative restrictions. An increase in the supplementary tariff preferences available under the special schemes to encourage the protection of labour rights and of the environment has also been provided for (additional reduction of 5 percentage points). With regard to labour rights, qualifying conditions for the scheme have been tightened - every beneficiary country must now ensure that its national law incorporates the substantive content of standards laid down in the eight International Labour Organisation (ILO) Conventions on fundamental principles and the rights at work. The possibility of with drawing preferences granted under the GSP in the event of serious and systematic violations of ILO standards relating to fundamental principles at work has also been provided for, but only at the end of a procedure which, inter alia, grants the country concerned the opportunity to avoid such withdrawal by undertaking to adopt the measures necessary to comply with the standards. The Council decided to add Pakistan to the list of countries included in the special arrangements to combat drug production and trafficking which grants access by exemption from duties for all industrial products under the general GSP scheme and a large number of agricultural products. This measure will be particularly beneficial to the clothing sector in Pakistan. This decision was taek in the context of the international Community's efforts to support Pakistan following the events of 11 September. ENTRY INTO FORCE : 01.01.02. It shall apply until 31 December 2004. This date shall not apply to the special arrangements for the least developed countries, nor, to the extent that they are applied in conjunction with those arrangements, to any other provisions of this Regulation.

Generalised tariff preferences: period from 1st January 2002 to 31 December 2004

2001/0131(CNS) - 12/06/2001 - Legislative proposal

PURPOSE: To implement the scheme of generalised preferences in the third part of the ten-year period 1995-2004 CONTENT: The current Regulation governing the multiannual scheme of generalised tariff preferences (Regulation 2820/98/EC) will expire on 31 December 2001. Thus a new Regulation is required in order to implement those guidelines for the remainder of the period - the years 2002 to 2004. The proposed amendments do not seek to make substantive changes to the existing provisions, rather they seek to streamline and simplify certain aspects of the current Regulation. Concerning the provisions of "modulation", the Commission proposes reducing the number of mechanisms from four to two, namely - "sensitive and non-sensitive products". Under this scheme, non-sensitive products would continue to enjoy duty free access, while sensitive products would enjoy a tariff reduction equal to that of all products classified under that category. Concerning the provisions of "Graduation", a new regime governing the rules for qualifying countries is announced. The Commission proposes relying on classifications defined by the World Bank to establish whether a country is a high-income country or not. In order to enhance the objectivity of the regime, the list of beneficiary countries should be revised on a yearly basis. To make the regime more balanced, the Commission proposes additional requirements according to which graduation should only take place where beneficiary countries meet one of the criteria during three consecutive years. Concerning the "special incentive arrangements", the Commission proposes streamlining the current provisions to facilitate a higher uptake of the benefits on offer. Lastly, the Commission recommends that GSP should be used as a means for promoting the protection of key labour standards. Temporary withdrawal of GSP benefits to those countries continuing to violate and flout accepted labour standards should become an accepted element of the GSP regime.